

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

*San Diego, California*

*United States Attorney  
Carol C. Lam*

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - August 24, 2005

United States Attorney Carol C. Lam announced that Tyler Zollinger pled guilty today in federal court in San Diego to a felony Information charging him with conspiracy to commit wire fraud. Zollinger entered his guilty plea before United States Magistrate Judge Nita L. Stormes.

As part of the plea, Zollinger admitted that he conspired with Richard Robert Matthews, Jr., and Stephen Baere to defraud members of the public into investing money in the Pinnacle Capital Fund, a foreign currency trading fund managed by White Pine Trust Corporation ("White Pine"). In connection with his plea, Zollinger admitted that he falsely represented to potential investors that the Pinnacle Capital Fund had consistently yielded double-digit profits since 1995, even though Zollinger knew that the fund didn't even exist until 1999. Zollinger also admitted that, during telephone conversations with potential investors, he assumed the false identity of "Tom Clausen," a supposedly satisfied customer of the Pinnacle Capital Fund. Zollinger acknowledged that "Tom Clausen" was a fictitious character devised to provide a phony reference to potential investors.

In April 2005, Richard Robert Matthews, Jr., White Pine's Managing Director, pled guilty in federal court in San Diego to mail fraud (Criminal Case number 04-CR-3162). As part of his plea, Matthews admitted that the Pinnacle Capital Fund reported false trading results to investors, and that he wrongfully withdrew and spent millions of dollars of investor funds. Under the terms of his plea, Matthews agreed to pay over \$14,000,000 in restitution to victims across the United States and abroad.

In June 2005, Stephen Baere, White Pine's Director of Business Development, also pled guilty to conspiracy in federal court in San Diego for his part in the Pinnacle Capital Fund scheme (Criminal Case number 05-CR-0874-JM).

Zollinger faces a possible sentence of up to 20 years in prison. He is scheduled to appear for final acceptance of the plea and sentencing before United States District Judge Jeffrey T. Miller on January 20, 2005, at 9:00 a.m. Matthews and Baere are scheduled for sentencing before Judge Miller on October 17, 2005, and November 18, 2005, respectively.

**DEFENDANT**

**Criminal Case No. 05-CR-1437-JM**

Tyler Zollinger

**SUMMARY OF CHARGES**

Title 18, United States Code, Section 371 - Conspiracy to Commit Wire Fraud  
Maximum penalties: 20 years in prison; a \$250,000 fine; and three years of supervised release.

**PARTICIPATING AGENCIES**

Federal Bureau of Investigation  
Immigration and Customs Enforcement, United States Department of Homeland Security  
Commodity Futures Trading Commission